

## **CITY OF HUNTINGTON PARK**

Community Development Department  
Oversight Board for the Successor Agency to the Community Development  
Commission of the City of Huntington Park  
Agenda Report

February 20, 2013

Honorable Chair and Members of the Oversight Board  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA 90255

Dear Members of the Oversight Board for the Successor Agency to the  
Community Development Commission of the City of Huntington Park:

### **ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY FOR THE SIX- MONTH PERIOD OF JULY 1, 2013 THROUGH DECEMBER 31, 2013**

#### **IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:**

Adopt a Resolution approving an administrative budget for the Successor Agency  
for the six-month period of July 1, 2013 – December 31, 2013

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a proposed administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget for the period from July 1, 2013 through December 31, 2013 (*i.e.*, the first half of fiscal year 2013-14) ("Administrative Budget 13-14A") to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget 13-14A and the ROPS for the same period ("ROPS 13-14A") should be consistent.

Staff has prepared a ROPS 13-14A for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board also approve Administrative Budget 13-14A on the same date as the Board's approval of ROPS 13-14A.

The Oversight Board must take action by resolution and must provide DOF, by electronic means, written notice and information about the Oversight Board's action.

The attached administrative budget provides additional information regarding personnel costs, benefits, indirect expenses, legal fees for the Successor Agency totaling \$125,000. General administrative personnel expenses are costs associated with the general administration and operations of the Successor Agency (i.e. preparation and payment of obligations listed in the ROPS, preparation of agendas, minutes, and staff reports for meetings with the Successor Agency and Oversight Board).

#### **FISCAL IMPACT/FINANCING**

The Redevelopment Dissolution Law provides for the Successor Agency to receive an Administrative Cost Allowance of not less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The allowances are subject to reduction if there are insufficient funds to pay the former Community Development Commission's enforceable obligations.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS. The Successor Agency is required to submit each proposed administrative budget to the Oversight Board for its approval and then to the County Auditor-Controller and Department of Finance for final approval.

#### **CONTRACTING PROCESS**

Not Applicable.

#### **IMPACT ON CURRENT SERVICES**

None.

**NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS**

None.

**CONCLUSION**

Staff recommends the Oversight Board adopt a Resolution approving an administrative budget of the Successor Agency for the six-month period of July 1, 2013 – December 31, 2013

Respectfully submitted,



RENÉ BOBADILLA, P.E.  
City Manager



JULIO MORALES  
Finance Director

Attachments:

A. Resolution

1  
2  
3  
4  
5  
6  
7  
8  
9  
1  
1  
1  
1  
1  
1  
1  
1  
1  
1  
2  
2  
2  
2  
2  
2  
2  
2  
2

**A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS FOR THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2013 THROUGH DECEMBER 31, 2013 AND TAKING CERTAIN RELATED ACTIONS**

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from July 1, 2013 through December 31, 2013 ("Administrative Budget 13-14A").

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY  
TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON  
PARK, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed Administrative Budget 13-14A substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance (“DOF”) written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information

1 shall be provided by electronic means and in a manner of DOF's choosing.

2 Section 4. The officers of the Oversight Board and staff of the Successor Agency  
3 are hereby authorized and directed, jointly and severally, to do any and all things which they  
4 may deem necessary or advisable to effectuate this Resolution.

5 **PASSED, APPROVED AND ADOPTED** this 20th day of February, 2013.

6  
7 \_\_\_\_\_  
8 Chair

9 ATTEST:

10  
11  
12  
13 \_\_\_\_\_  
14 Rhonda Rangel, Deputy Clerk  
15 Los Angeles County Board of Supervisors  
16 Acting as Secretary to the Huntington Park Oversight Board  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## EXHIBIT A

### Successor Agency to the Huntington Park Community Development Commission July 2013 –December 2013 Administrative Budget

	Hrs.	% of Salaries	Amount	Payment Priority
<b>Salaries:</b>				
Executive Director	52	0.03	\$ 4,940	1
Finance Officer	165	0.06	\$ 11,700	1
Senior Accountant	104	0.05	\$ 3,848	1
Finance Assistant I	104	0.05	\$ 2,392	1
Revenue Collections Supervisor	104	0.02	\$ 3,848	1
Redevelopment Project Manager	156	0.06	\$ 7,176	1
Secretary	48	0.02	\$ 1,430	1
Community Development Director	130	0.05	\$ 8,970	1
Housing & Community Development Manager	156	0.06	\$ 8,112	1
Benefits (Retirement, workers' comp & liab)				1
Retirement		0.15	\$ 8,904	1
Worker's Comp. & Liab		0.43	\$ 25,524	1
	Total Salaries & Benefits		\$ 82,817	
<b>Successor Agency:</b>				
Facilities Rent, Utilities and Telephone			\$ 13,183	4
Office Supplies & Other indirect expenses			\$ 4,000	3
Professional Legal Fees <sup>1</sup>			\$ 25,000	2
	Total		\$ 42,183	

<b>Total Salaries and Other Expenses<sup>2</sup></b>	<b>\$ 125,000</b>
--	-------------------

<sup>1</sup> Successor Agency is currently under contract with Richards, Watson & Gershon to provide legal services

<sup>2</sup> Funding Sources for Administrative Budget to be paid from the Redevelopment Property Tax Trust Fund (RPTTF) and if RPTTF funds are insufficient, then pursuant to the Cooperative Agreement between the Successor Agency and City of Huntington Park

1  
2  
3 STATE OF CALIFORNIA )  
4 COUNTY OF LOS ANGELES ) SS  
5 CITY OF HUNTINGTON PARK )

6 I, Rhonda Rangel, Secretary of the Oversight Board, DO HEREBY CERTIFY that the  
7 foregoing Oversight Board Resolution No. OSB 2013-03 was duly adopted by the Oversight  
8 Board and approved by the Chair at a meeting of said Oversight Board held on the 20th day  
9 of February, 2013 and that it was so adopted as follows:

10  
11 AYES:

12 NOES:

13 ABSENT:

14 ABSTAINING:

15 Dated:

16  
17  
18  
19 \_\_\_\_\_  
20 Rhonda Rangel, Deputy Clerk  
21 Los Angeles County Board of Supervisors  
22 Acting as Secretary to the Huntington Park Oversight  
23 Board  
24  
25  
26  
27  
28